

1       AN ACT relating to postsecondary education.

2       *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3           ➔Section 1. KRS 164.001 is amended to read as follows:

4       As used in this chapter, unless the context requires otherwise:

5       (1) "Administrator" means the chief executive officer of the institution;

6       (2) "Adult basic education" means instruction in mathematics, science, social studies,  
7           reading, language arts, and related areas to enable individuals to better function in  
8           society;

9       (3) "Benchmarks" means objective measures developed where applicable or practical  
10          by the Council on Postsecondary Education to judge the performance of the  
11          postsecondary education system and progress toward the goals of postsecondary  
12          education in the Commonwealth~~as stated in KRS 164.003(2)~~;

13       (4) "Board" or "governing board" means the board of trustees for the University of  
14          Kentucky or the University of Louisville, the board of regents for a comprehensive  
15          university, or the board of regents for the Kentucky Community and Technical  
16          College System;

17       (5) "Board of regents" means the governing board of each comprehensive university  
18          and the Kentucky Community and Technical College System;

19       (6) ~~["Committee" means the Strategic Committee on Postsecondary Education created  
20          in KRS 164.004;~~

21       (7) "Comprehensive university" means the following public institutions: Eastern  
22          Kentucky University, Kentucky State University, Morehead State University,  
23          Murray State University, Northern Kentucky University, and Western Kentucky  
24          University;

25       (7)~~(8)~~ "Council" means the Council on Postsecondary Education created in KRS  
26          164.011;

27       ~~(8)~~~~(9)~~ "Customized training" means training in specific academic areas, work

1 processes, or technical skills that are designed to serve a specific industry or  
2 industries to upgrade worker skills;

3 ~~(9)~~<sup>(10)</sup> "Goals" means the six (6) goals specified in KRS 164.003(2);

4 ~~(11)~~<sup>(12)</sup> "Independent institution" means a nonpublic postsecondary education institution in  
5 Kentucky whose instruction is not solely sectarian in nature, is accredited by a  
6 regional accrediting association recognized by the United States Department of  
7 Education, and is licensed by the Council on Postsecondary Education;

8 ~~(10)~~<sup>(12)</sup> "Institution" means a university, college, community college, health  
9 technology center, vocational-technical school, technical institute, technical college,  
10 technology center, or the Kentucky Community and Technical College System;

11 ~~(11)~~<sup>(13)</sup> "Kentucky Community and Technical College System" means the system  
12 composed of public community and technical colleges, including those  
13 postsecondary institutions operated by the former Cabinet for Workforce  
14 Development and those community colleges in the University of Kentucky  
15 Community College System on May 30, 1997.

16 The system also includes institutions created by the board of regents for the  
17 Kentucky Community and Technical College System and approved by the General  
18 Assembly;

19 ~~(12)~~<sup>(14)</sup> "Literacy" means an individual's ability to read, write, and speak in English  
20 and compute and solve problems at levels of proficiency necessary to function on  
21 the job and in society to achieve one's goals and develop one's knowledge and  
22 potential;

23 ~~(13)~~<sup>(15)</sup> "Lower division academic course" means any academic course offered for  
24 college or university credit that is designated as a freshman or sophomore level  
25 academic course;

26 ~~(14)~~<sup>(16)</sup> "Nonteaching personnel" means any employee who is a full-time staff  
27 member, excluding a president, chancellor, vice president, academic dean,

1 academic department chair, or administrator;

2 (15)~~(17)~~ "Postsecondary education system" means the following public institutions:  
3 University of Kentucky, University of Louisville, Eastern Kentucky University,  
4 Kentucky State University, Morehead State University, Murray State University,  
5 Northern Kentucky University, Western Kentucky University, and the Kentucky  
6 Community and Technical College System;

7 (16)~~(18)~~ "~~P-16 council~~" or "~~council of partners~~" means a local or state council that is  
8 composed of educators from ~~public and private preschools, elementary, secondary,~~  
9 ~~and postsecondary education institutions, local board of education members, and~~  
10 ~~may include community and business representatives that have voluntarily~~  
11 ~~organized themselves for the purpose of improving the alignment and quality of the~~  
12 ~~education continuum from preschool through postsecondary education as well as~~  
13 ~~student achievement at all levels;~~

14 (19)~~(21)~~ "Public" means operated with state support;

15 (17)~~(20)~~ "Relative" means a person's father, mother, brother, sister, husband, wife, son,  
16 daughter, aunt, uncle, son-in-law, or daughter-in-law;

17 (18)~~(21)~~ "~~Remedial education~~" means any program, course, or activity that is designed  
18 ~~specifically for students who have basic deficiencies in reading, written or oral~~  
19 ~~communication, mathematics, study skills, or other skills necessary to do beginning~~  
20 ~~postsecondary work as defined by the institution;~~

21 (22)~~(24)~~ "Standardized degree program" means a program, approved by the Council on  
22 Postsecondary Education, that consists of specific competencies, curriculum, and  
23 performance requirements regardless of the providing institution;

24 (19)~~(23)~~ "Strategic agenda" means the state strategic postsecondary education agenda  
25 described in KRS 164.0203;

26 (20)~~(24)~~ "Technical institution" means an educational institution that offers  
27 certificates, diplomas, or technical degrees in technical or occupational-related

1       programs, including a facility called a vocational-technical school, technical  
2       institute, health technology center, technology center, technical college, or similar  
3       designation; and

4       (21)-(25) "Learning outcomes" means the knowledge, skills, and abilities that students  
5       have attained as a result of their involvement in a particular set of educational  
6       experiences.

7       ➔Section 2. KRS 164.013 is amended to read as follows:

8       (1) The Council on Postsecondary Education shall set the qualifications for the position  
9       of president of the council. ~~Except for the first president appointed under~~  
10       ~~subsection (2) of this section,~~ The council may employ a search firm and conduct a  
11       nationwide search for candidates. Any search firm employed by the council shall  
12       consider, interview, and propose three (3) or more candidates for the position of  
13       president. The council may seek additional names from the search firm or from  
14       other sources.

15       (2) ~~In the selection of candidates for the first president of the Council on~~  
16       ~~Postsecondary Education, the Strategic Committee on Postsecondary Education~~  
17       ~~shall serve as a search committee, employing a search firm for assistance. The~~  
18       ~~committee shall recommend three (3) candidates to be considered by the council~~  
19       ~~and shall repeat this process until it finds a satisfactory person to appoint as the first~~  
20       ~~president of the council.~~

21       (3) The president shall possess an excellent academic and administrative background,  
22       have strong communication skills, have significant experience and an established  
23       reputation as a professional in the field of postsecondary education, and shall not  
24       express, demonstrate, or appear to have an institutional or regional bias in his or her  
25       actions.

26       (3)-(4) The president shall be the primary advocate for postsecondary education and  
27       advisor to the Governor and the General Assembly on matters of postsecondary

1 education in Kentucky. As the primary advocate for postsecondary education, the  
2 president shall work closely with the ~~committee and the~~ elected leadership of the  
3 Commonwealth to ensure that they are fully informed about postsecondary  
4 education issues and that the council fully understands the goals for postsecondary  
5 education ~~in the Commonwealth[that the General Assembly has established in KRS~~  
6 ~~164.003(2)]~~.

7 ~~(4)~~  
8 ~~(5)~~ The president may design and develop for review by the council new  
statewide initiatives in accordance with the strategic agenda.

9 ~~(5)~~  
10 ~~(6)~~ (a) The council shall set the salary of the president at an amount no greater  
than the salary the president was receiving on January 1, 2012.  
11 (b) The salary of the president shall be exempt from state employee salary  
12 limitations as set forth in KRS 64.640.

13 ~~(6)~~  
14 ~~(7)~~ The president shall be accorded a contract to serve for a term not to exceed  
five (5) years, which is renewable at the pleasure of the council.

15 ~~(7)~~  
16 ~~(8)~~ The president shall determine the staffing positions and organizational  
structure necessary to carry out the responsibilities of the council and may employ  
17 staff. All personnel positions of the Council on Higher Education, as of May 30,  
18 1997, with the exception of the position of executive director, shall be transferred to  
19 the Council on Postsecondary Education. All personnel shall be transferred at the  
20 same salary and benefit levels. Notwithstanding the provisions of KRS 11A.040,  
21 any person employed by the Council on Higher Education prior to May 30, 1997,  
22 may accept immediate employment with any governmental entity or any  
23 postsecondary education organization or institution in the Commonwealth and may  
24 carry out the employment duties assigned by that entity, organization, or institution.

25 ~~(8)~~  
26 ~~(9)~~ The president shall be responsible for the day-to-day operations of the council  
and shall report and submit annual reports on the strategic implementation plan of  
27 the strategic agenda, carry out policy and program directives of the council, prepare

1 and submit to the council for its approval the proposed budget of the council, and  
2 perform all other duties and responsibilities assigned by state law.

3 ~~(9)~~<sup>(10)</sup> With approval of the council, the president may enter into agreements with  
4 any state agency or political subdivision of the state, any state postsecondary  
5 education institution, or any other person or entity to enlist staff assistance to  
6 implement the duties and responsibilities under KRS 164.020.

7 ~~(10)~~<sup>(11)</sup> The president shall be reimbursed for all actual and necessary expenses  
8 incurred in the performance of all assigned duties and responsibilities.

9 ➔Section 3. KRS 164.020 is amended to read as follows:

10 The Council on Postsecondary Education in Kentucky shall:

11 (1) Develop and implement the strategic agenda ~~with the advice and counsel of the~~  
12 ~~Strategic Committee on Postsecondary Education~~. The council shall provide for  
13 and direct the planning process and subsequent strategic implementation plans  
14 based on the strategic agenda as provided in KRS 164.0203;

15 (2) Revise the strategic agenda and strategic implementation plan ~~with the advice and~~  
16 ~~counsel of the committee as set forth in KRS 164.004~~;

17 (3) Develop a system of public accountability related to the strategic agenda by  
18 evaluating the performance and effectiveness of the state's postsecondary system.  
19 The council shall prepare a report in conjunction with the accountability reporting  
20 described in KRS 164.095, which shall be submitted to ~~the committee,~~ the  
21 Governor~~,~~ and the General Assembly by December 1 annually. This report shall  
22 include a description of contributions by postsecondary institutions to the quality of  
23 elementary and secondary education in the Commonwealth;

24 (4) Review, revise, and approve the missions of the state's universities and the  
25 Kentucky Community and Technical College System. The Council on  
26 Postsecondary Education shall have the final authority to determine the compliance  
27 of postsecondary institutions with their academic, service, and research missions;

- 1       (5) Establish and ensure that all postsecondary institutions in Kentucky cooperatively
- 2           provide for an integrated system of postsecondary education. The council shall
- 3           guard against inappropriate and unnecessary conflict and duplication by promoting
- 4           transferability of credits and easy access of information among institutions;
- 5       (6) Engage in analyses and research to determine the overall needs of postsecondary
- 6           education and adult education in the Commonwealth;
- 7       (7) Develop plans that may be required by federal legislation. The council shall for all
- 8           purposes of federal legislation relating to planning be considered the "single state
- 9           agency" as that term may be used in federal legislation. When federal legislation
- 10          requires additional representation on any "single state agency," the Council on
- 11          Postsecondary Education shall establish advisory groups necessary to satisfy federal
- 12          legislative or regulatory guidelines;
- 13       (8) (a) Determine tuition and approve the minimum qualifications for admission to
- 14           the state postsecondary educational system. In defining residency, the council
- 15           shall classify a student as having Kentucky residency if the student met the
- 16           residency requirements at the beginning of his or her last year in high school
- 17           and enters a Kentucky postsecondary education institution within two (2)
- 18           years of high school graduation. In determining the tuition for non-Kentucky
- 19           residents, the council shall consider the fees required of Kentucky students by
- 20           institutions in adjoining states, the resident fees charged by other states, the
- 21           total actual per student cost of training in the institutions for which the fees
- 22           are being determined, and the ratios of Kentucky students to non-Kentucky
- 23           students comprising the enrollments of the respective institutions, and other
- 24           factors the council may in its sole discretion deem pertinent, except that the
- 25           Kentucky Community and Technical College System may assess a mandatory
- 26           student fee not to exceed eight dollars (\$8) per credit hour to be used
- 27           exclusively for debt service on amounts not to exceed seventy-five percent

(75%) of the total projects cost of the Kentucky Community and Technical College System agency bond projects included in 2014 Ky. Acts ch. 117, Part II, J., 11.

4 (b) The Kentucky Community and Technical College System mandatory fee  
5 established in this subsection shall only be used for debt service on agency  
6 bond projects.

7 (c) Any fee established as provided by this subsection shall cease to be assessed  
8 upon the retirement of the project bonds for which it services debt.

9 (d) Prior to the issuance of any bonds, the Kentucky Community and Technical  
10 College System shall certify in writing to the secretary of the Finance and  
11 Administration Cabinet that sufficient funds have been raised to meet the  
12 local match equivalent to twenty-five percent (25%) of the total project cost;

13 (9) Devise, establish, and periodically review and revise policies to be used in making  
14 recommendations to the Governor for consideration in developing  
15 recommendations to the General Assembly for appropriations to the universities,  
16 the Kentucky Community and Technical College System, and to support strategies  
17 for persons to maintain necessary levels of literacy throughout their lifetimes. The  
18 council has sole discretion, with advice of the ~~Strategic Committee on~~  
19 ~~Postsecondary Education and the~~ executive officers of the postsecondary education  
20 system, to devise policies that provide for allocation of funds among the  
21 universities and the Kentucky Community and Technical College System;

22 (10) Lead and provide staff support for the biennial budget process as provided under  
23 KRS Chapter 48~~, in cooperation with the committee~~;

24 (11) (a) Except as provided in paragraph (b) of this subsection, review and approve all  
25 capital construction projects covered by KRS 45.750(1)(f), including real  
26 property acquisitions, and regardless of the source of funding for projects or  
27 acquisitions. Approval of capital projects and real property acquisitions shall

1                   be on a basis consistent with the strategic agenda and the mission of the  
2                   respective universities and the Kentucky Community and Technical College  
3                   System.

4                   (b) The organized groups that are establishing community college satellites as  
5                   branches of existing community colleges in the counties of Laurel, Leslie, and  
6                   Muhlenberg, and that have substantially obtained cash, pledges, real property,  
7                   or other commitments to build the satellite at no cost to the Commonwealth,  
8                   other than operating costs that shall be paid as part of the operating budget of  
9                   the main community college of which the satellite is a branch, are authorized  
10                  to begin construction of the satellite on or after January 1, 1998;

11                  (12) Require reports from the executive officer of each institution it deems necessary for  
12                  the effectual performance of its duties;

13                  (13) Ensure that the state postsecondary system does not unnecessarily duplicate  
14                  services and programs provided by private postsecondary institutions and shall  
15                  promote maximum cooperation between the state postsecondary system and private  
16                  postsecondary institutions. Receive and consider an annual report prepared by the  
17                  Association of Independent Kentucky Colleges and Universities stating the  
18                  condition of independent institutions, listing opportunities for more collaboration  
19                  between the state and independent institutions and other information as appropriate;

20                  (14) Establish course credit, transfer, and degree components as required in KRS  
21                  164.2951;

22                  (15) (a) Define and approve the offering of all postsecondary education technical,  
23                  associate, baccalaureate, graduate, and professional degree, certificate, or  
24                  diploma programs in the public postsecondary education institutions. The  
25                  council shall not approve a new degree, certificate, or diploma program that  
26                  includes a requirement for a course or training of which the primary purpose  
27                  is to indoctrinate participants with a discriminatory concept.

1 (b) The council shall expedite wherever possible the approval of requests from  
2 the Kentucky Community and Technical College System board of regents  
3 relating to new certificate, diploma, technical, or associate degree programs of  
4 a vocational-technical and occupational nature. Without the consent of the  
5 General Assembly, the council shall not abolish or limit the total enrollment  
6 of the general program offered at any community college to meet the goal of  
7 reasonable access throughout the Commonwealth to a two (2) year course of  
8 general studies designed for transfer to a baccalaureate program. This does not  
9 restrict or limit the authority of the council, as set forth in this section, to  
10 eliminate or make changes in individual programs within that general  
11 program;

12 (16) Eliminate, in its discretion, existing programs or make any changes in existing  
13 academic programs at the state's postsecondary educational institutions, taking into  
14 consideration these criteria:

15 (a) Consistency with the institution's mission and the strategic agenda;

16 (b) Alignment with the priorities in the strategic implementation plan for  
17 achieving the strategic agenda;

18 (c) Elimination of unnecessary duplication of programs within and among  
19 institutions;

20 (d) Efforts to create cooperative programs with other institutions through  
21 traditional means, or by use of distance learning technology and electronic  
22 resources, to achieve effective and efficient program delivery; and

23 (e) Alignment with KRS 164.2895, including the elimination of any program that  
24 includes a requirement for a course or training of which the primary purpose  
25 is to indoctrinate participants with a discriminatory concept;

26 (17) Ensure the governing board and faculty of all postsecondary education institutions  
27 are committed to providing instruction free of discrimination against students who

1 hold political views and opinions contrary to those of the governing board and  
2 faculty;

3 (18) Review proposals and make recommendations to the Governor regarding the  
4 establishment of new public community colleges, technical institutions, and new  
5 four (4) year colleges;

6 (19) Ensure the coordination, transferability, and connectivity of technology among  
7 postsecondary institutions in the Commonwealth including the development and  
8 implementation of a technology plan as a component of the strategic agenda;

9 (20) Approve the teacher education programs in the public institutions that comply with  
10 standards established by the Education Professional Standards Board pursuant to  
11 KRS 161.028;

12 (21) Constitute the representative agency of the Commonwealth in all matters of  
13 postsecondary education of a general and statewide nature which are not otherwise  
14 delegated to one (1) or more institutions of postsecondary learning. The  
15 responsibility may be exercised through appropriate contractual relationships with  
16 individuals or agencies located within or without the Commonwealth. The authority  
17 includes but is not limited to contractual arrangements for programs of research,  
18 specialized training, and cultural enrichment;

19 (22) Maintain procedures for the approval of a designated receiver to provide for the  
20 maintenance of student records of the public institutions of higher education and the  
21 colleges as defined in KRS 164.945, and institutions operating pursuant to KRS  
22 165A.310 which offer collegiate level courses for academic credit, which cease to  
23 operate. Procedures shall include assurances that, upon proper request, subject to  
24 federal and state laws and regulations, copies of student records shall be made  
25 available within a reasonable length of time for a minimum fee;

26 (23) Monitor and transmit a report on compliance with KRS 164.351 to the director of  
27 the Legislative Research Commission for distribution to the Interim Joint

## 1 Committee on Families and Children;

2 (24) (a) Develop in cooperation with each public university and the Kentucky  
3 Community and Technical College System a comprehensive orientation and  
4 education program for new members of the council and the governing boards  
5 and continuing education opportunities for all council and board members.  
6 For new members of the council and institutional governing boards, the  
7 council shall:

1. Ensure that the orientation and education program comprises six (6) hours of instruction time and includes but is not limited to information concerning the roles of the council and governing board members, the strategic agenda and the strategic implementation plan, and the respective institution's mission, budget and finances, strategic plans and priorities, institutional policies and procedures, board fiduciary responsibilities, legal considerations including open records and open meetings requirements, ethical considerations arising from board membership, and the board member removal and replacement provisions of KRS 63.080;
2. Establish delivery methods by which the orientation and education program can be completed in person or electronically by new members within one (1) year of their appointment or election;
3. Provide an annual report to the Governor and Legislative Research Commission of those new board members who do not complete the required orientation and education program; and
4. Invite governing board members of private colleges and universities licensed by the Council on Postsecondary Education to participate in the orientation and education program described in this subsection;

Offer, in cooperation with the public universities and the Kentucky

Community and Technical College System, continuing education opportunities for all council and governing board members; and

(c) Review and approve the orientation programs of each public university and the Kentucky Community and Technical College System for their governing board members to ensure that all programs and information adhere to this subsection;

(25) Develop a financial reporting procedure to be used by all state postsecondary education institutions to ensure uniformity of financial information available to state agencies and the public;

(26) Select and appoint a president of the council under KRS 164.013;

(27) Employ consultants and other persons and employees as may be required for the council's operations, functions, and responsibilities;

(28) Promulgate administrative regulations, in accordance with KRS Chapter 13A, governing its powers, duties, and responsibilities as described in this section;

(29) Prepare and present by January 31 of each year an annual status report on postsecondary education in the Commonwealth to the Governor~~, the Strategic Committee on Postsecondary Education, and the Legislative Research Commission;~~

(30) Consider the role, function, and capacity of independent institutions of postsecondary education in developing policies to meet the immediate and future needs of the state. When it is found that independent institutions can meet state needs effectively, state resources may be used to contract with or otherwise assist independent institutions in meeting these needs;

(31) Create advisory groups representing the presidents, faculty, nonteaching staff, and students of the public postsecondary education system and the independent colleges and universities;

(32) Develop a statewide policy to promote employee and faculty development in state

1 and locally operated secondary area technology centers through the waiver of  
2 tuition for college credit coursework in the public postsecondary education system.  
3 Any regular full-time employee of a state or locally operated secondary area  
4 technology center may, with prior administrative approval of the course offering  
5 institution, take a maximum of six (6) credit hours per term at any public  
6 postsecondary institution. The institution shall waive the tuition up to a maximum  
7 of six (6) credit hours per term. The employee shall complete the Free Application  
8 for Federal Student Aid to determine the level of need and eligibility for state and  
9 federal financial aid programs. The amount of tuition waived shall not exceed the  
10 cost of tuition at the institution less any state or federal grants received, which shall  
11 be credited first to the student's tuition;

12 (33) Participate with the Kentucky Department of Education, the Kentucky Board of  
13 Education, and postsecondary education institutions to ensure that academic content  
14 requirements for successful entry into postsecondary education programs are  
15 aligned with high school content standards and that students who master the high  
16 school academic content standards shall not need remedial courses. The council  
17 shall monitor the results on an ongoing basis;

18 (34) Cooperate with the Kentucky Department of Education and the Education  
19 Professional Standards Board in providing information sessions to selected  
20 postsecondary education content faculty and teacher educators of the high school  
21 academic content standards as required under KRS 158.6453(2)(l);

22 (35) Cooperate with the Office of the Kentucky Center for Statistics and ensure the  
23 participation of the public institutions as required in KRS 151B.133;

24 (36) Pursuant to KRS 63.080, review written notices from the Governor or from a board  
25 of trustees or board of regents concerning removal of a board member or the entire  
26 appointed membership of a board, investigate the member or board and the conduct  
27 alleged to support removal, and make written recommendations to the Governor

1 and the Legislative Research Commission as to whether the member or board  
2 should be removed; and

3 (37) Exercise any other powers, duties, and responsibilities necessary to carry out the  
4 purposes of this chapter. Nothing in this chapter shall be construed to grant the  
5 Council on Postsecondary Education authority to disestablish or eliminate any  
6 college of law which became a part of the state system of higher education through  
7 merger with a state college.

8 ➔Section 4. KRS 164.321 is amended to read as follows:

9 (1) **(a)** Eastern Kentucky University, Morehead State University, Murray State  
10 University, Western Kentucky University, Kentucky State University,  
11 Northern Kentucky University, and the Kentucky Community and Technical  
12 College System shall each be governed by a board of regents appointed for a  
13 term set by law pursuant to Section 23 of the Constitution of Kentucky.

14 **(b)** Each board of the comprehensive universities shall consist of eight (8)  
15 members appointed by the Governor, one (1) member of the teaching faculty,  
16 one (1) member of the university nonteaching personnel, and one (1) member  
17 of the student body of the respective university or college. The members  
18 appointed by the Governor shall be subject to confirmation by the Senate. The  
19 members of the board shall select a chairperson annually.

20 **(c)** The board of the Kentucky Community and Technical College System  
21 shall consist of eight (8) members appointed by the Governor, two (2)  
22 members of the teaching faculty, two (2) members of the nonteaching  
23 personnel, and two (2) members of the student body. The members appointed  
24 by the Governor shall be subject to confirmation by the Senate.

25 1. No more than three (3) appointed members of the board shall reside in  
26 any one (1) judicial district of the Kentucky Supreme Court as of the  
27 date of the appointment.

1           2. A change in residency of a gubernatorial appointee after the date of  
2           appointment shall not affect the appointee's ability to serve or eligibility  
3           for reappointment, except an appointee who assumes residency outside  
4           the fifty (50) United States shall become immediately ineligible to serve.  
5           The Council on Postsecondary Education shall notify the appointee of  
6           his or her ineligibility to serve.

7           3. In making initial appointments, the Governor shall act so as to provide  
8           equal representation of the two (2) sexes. In filling vacancies, the  
9           Governor shall act so as to provide, inasmuch as possible, equal  
10           representation of the two (2) sexes by appointing a member of the sex  
11           that is the lesser represented at the time of the appointment. If the  
12           remaining membership already has an equal number of males and  
13           females, the Governor may appoint a member of either sex.

14       (2) The terms of appointed members shall be for six (6) years and until their successors  
15           are appointed and qualified, unless a member is removed by the Governor pursuant  
16           to KRS 63.080(2), (3), or (4). ~~{, except the initial appointments to the board of  
17           regents for the Kentucky Community and Technical College System shall be as  
18           follows:~~

19           (a) ~~One (1) member shall serve a one (1) year term;~~  
20           (b) ~~One (1) member shall serve a two (2) year term;~~  
21           (c) ~~Two (2) members shall serve three (3) year terms;~~  
22           (d) ~~One (1) member shall serve a four (4) year term;~~  
23           (e) ~~One (1) member shall serve a five (5) year term; and~~  
24           (f) ~~Two (2) members shall serve six (6) year terms.~~

25       ——~~New appointees of a board of regents shall not serve for more than two (2)~~  
26           consecutive terms.

27       (3) The gubernatorial appointments may include one (1) graduate of the respective

1 institution who resides outside the Commonwealth. Not more than two (2)  
2 appointed members of any board shall be residents of one (1) county. The  
3 appointments shall reflect the proportional representation of the two (2) leading  
4 political parties of the Commonwealth based on the state's voter registration and the  
5 political affiliation of each appointee as of December 31 of the year preceding the  
6 date of his or her appointment. A particular political affiliation shall not be a  
7 prerequisite to appointment to any board generally; however, if any person is  
8 appointed to a board that does not represent either of the two (2) leading political  
9 parties of the Commonwealth, the proportional representation by political affiliation  
10 requirement shall be determined and satisfied based on the total number of  
11 members on the board less any members not affiliated with either of the two (2)  
12 leading political parties. Membership on the board shall reflect no less than  
13 proportional representation of the minority racial composition of the  
14 Commonwealth based on the total minority racial population using the most recent  
15 census or estimate data from the United States Census Bureau. If the determination  
16 of proportional minority representation does not result in a whole number of  
17 minority members, it shall be rounded up to the next whole number. Membership  
18 on the board shall not be incompatible with any state office. A change in residency  
19 after the date of appointment shall not affect a member's ability to serve nor shall it  
20 prevent a member's eligibility for reappointment, except a member who assumes  
21 residency outside the fifty (50) United States shall become immediately ineligible  
22 to serve. The Council on Postsecondary Education shall notify the appointee of his  
23 or her ineligibility to serve.

24 (4) Appointments to fill vacancies shall be made in the same manner and within the  
25 same time after the occurrence of the vacancy as regular appointments. The person  
26 appointed shall hold the position for the unexpired term only.

27 (5) Each member of the board shall serve for the term for which the member is

1 appointed and until a successor is appointed and qualified, unless a member is  
2 removed by the Governor pursuant to KRS 63.080(2), (3), or (4).

3 (6) (a) The faculty member of a comprehensive university shall be a teaching or  
4 research member of the faculty of his or her respective university of the rank  
5 of assistant professor or above. The faculty member shall be elected by secret  
6 ballot by all faculty members of his or her university of the rank of instructor,  
7 assistant professor, or above. The faculty member shall serve for a term of  
8 three (3) years and until his successor is elected and qualified. The faculty  
9 member shall be eligible for reelection, but he or she shall not be eligible to  
10 continue to serve as a member of the board if he or she ceases being a member  
11 of the teaching staff of the university. Elections to fill vacancies shall be for  
12 the unexpired term in the same manner as provided for the original election.

13 (b) The faculty members of the Kentucky Community and Technical College  
14 System shall be represented by one (1) faculty member elected from the  
15 community colleges and one (1) faculty member elected from the technical  
16 institutions to serve three (3) year terms and until their successors are named.  
17 The faculty representative of each branch shall be elected by means of a  
18 process established by the board. The faculty members may be reelected but  
19 shall not serve more than two (2) consecutive terms. A faculty member shall  
20 be ineligible to continue to serve as a member of the board if he or she ceases  
21 to be a member of the faculty at one (1) of the institutions within the system.  
22 Elections to fill vacancies shall be for the unexpired term in the same manner  
23 as provided for the original election. These two (2) members shall collectively  
24 have one (1) vote which may be cast one-half (1/2) vote by each member.

25 (7) (a) The nonteaching personnel member in a comprehensive university shall be  
26 any full-time staff member excluding the president, vice presidents, academic  
27 deans, and academic department chairpersons. He or she shall represent all

1 nonteaching university employees including, but not limited to, building  
2 facilities and clerical personnel. The member shall be elected by secret ballot  
3 by the nonteaching employees. The nonteaching personnel member shall  
4 serve a term of three (3) years and until a successor is elected and qualified.  
5 The nonteaching personnel member shall be eligible for reelection, but he or  
6 she shall not be eligible to continue to serve as a member of the board if he or  
7 she ceases being an employee of the university. Elections to fill vacancies  
8 shall be for the unexpired term in the same manner as provided for the  
9 original election.

10 (b) The nonteaching personnel members in the Kentucky Community and  
11 Technical College System shall be any full-time staff member excluding a  
12 president, chancellor, vice president, academic dean, academic department  
13 chair, or other administrator. They shall represent all nonteaching employees  
14 in their respective branch institutions including, but not limited to, support  
15 and clerical personnel. One (1) member shall be a representative from the  
16 community colleges and one (1) member shall be a representative from the  
17 technical institutions. They shall serve three (3) year terms and until their  
18 successors are named. These two (2) members shall collectively have one (1)  
19 vote which may be cast one-half (1/2) vote by each member. The nonteaching  
20 personnel members of each branch shall be elected by means of a process  
21 established by the board. A nonteaching personnel member may be reelected  
22 but shall not serve more than two (2) consecutive terms. A nonteaching  
23 employee shall be ineligible to continue to serve as a member of the board if  
24 that employee ceases to be a nonteaching employee at one (1) of the  
25 institutions within the system. Elections to fill vacancies shall be for the  
26 unexpired term in the same manner as provided for the original election.

27 (8) (a) The student member on a comprehensive university board shall serve a one

1 (1) year term beginning on July 1 after being elected and sworn in as student  
2 body president and ending on the following June 30. If the student member  
3 does not maintain the position as student body president or the status as a full-  
4 time student at any time during that academic year, a special election shall be  
5 held to select a full-time student member. The elected student member shall  
6 serve for the remainder of the unexpired term.

7 (b) Two (2) full-time student members shall be elected to the board of regents for  
8 the Kentucky Community and Technical College System. One (1) shall  
9 represent students of the community colleges and one (1) shall represent the  
10 technical institutions. The student members shall be elected by means of a  
11 process established by the board. The student members shall serve one (1)  
12 year terms beginning on July 1 after being elected and sworn in as a student  
13 member of the board and ending on the following June 30. If the student  
14 member does not maintain the status as a full-time student, a special election  
15 shall be held to fill the vacancy for the remainder of the unexpired term. The  
16 two (2) members shall collectively have one (1) vote which may be cast one-  
17 half (1/2) vote by each member.

18 (9) **(a)** All appointed and elected persons shall be required to attend and complete an  
19 orientation and education program prescribed by the council under KRS  
20 164.020(24), as a condition of their service and eligibility for appointment or  
21 election to a second term.

22                   **(b) Attendance at an orientation and education program as required in**  
23                   **paragraph (a) of this subsection shall not constitute a meeting for the**  
24                   **purposes of KRS 61.800 to 61.850 if official action is not taken, regardless**  
25                   **of how many board members are in attendance.**

26 (10) Board members may be removed by the Governor under the following  
27 circumstances:

12 ➔Section 5. KRS 15.257 is amended to read as follows:

13 (1) The Office of the Attorney General shall, within ninety (90) days of June 20, 2005,  
14 and thereafter, within ninety (90) days of the effective date of any legislation  
15 amending the provisions of the Open Meetings Act or the Open Records Act,  
16 distribute to all county judge/executives, mayors, county attorneys, city attorneys,  
17 superintendents of public school districts, presidents of each of the state public  
18 postsecondary education institutions identified in KRS 161.220(4)(b) or Section 1  
19 of this Act~~[164.001(13) or (17)]~~, and attorneys of public school districts and public  
20 postsecondary education institutions throughout Kentucky written information  
21 prepared by the Office of the Attorney General that explains the procedural and  
22 substantive provisions of the Open Meetings Act, KRS 61.805 to 61.850, and the  
23 Open Records Act, KRS 61.870 to 61.884, together with the information required  
24 by KRS 171.223 to be prepared by the Department for Libraries and Archives  
25 concerning proper retention and management of public records. This distribution  
26 may be by electronic means.

27 (2) All superintendents of public school districts and the presidents of each of the state

1       public postsecondary education institutions identified in KRS 161.220(4)(b) or  
2       Section 1 of this Act~~[164.001 (13) or (17)]~~ shall be responsible for designating and  
3       submitting the names and addresses of the attorneys to whom this information shall  
4       be disseminated to the Office of the Attorney General.

5       ➔Section 6. KRS 164.011 is amended to read as follows:

6       (1) There is hereby created and established a Council on Postsecondary Education in  
7       Kentucky as an agency, instrumentality, and political subdivision of the  
8       Commonwealth and a public body corporate and politic having all powers, duties,  
9       and responsibilities as are provided to it by law, appointed for a term set by law  
10      pursuant to Section 23 of the Constitution of Kentucky. The council shall be  
11      composed of the commissioner of education, a faculty member, a student member,  
12      and thirteen (13) citizen members appointed by the Governor. The citizen members  
13      shall be confirmed by the Senate under KRS 11.160, and the commissioner of  
14      education shall serve as a nonvoting ex officio member. Citizen council members  
15      shall be selected from a list of nominees provided to the Governor under the  
16      nominating process set forth in KRS 164.005. If the General Assembly is not in  
17      session at the time of the appointment, persons appointed shall serve prior to  
18      confirmation, but the Governor shall seek the consent of the Senate at the next  
19      regular session or at an intervening extraordinary session if the matter is included in  
20      the call of the General Assembly.

21       (2) By no later than thirty (30) days after May 30, 1997, the Governor's Postsecondary  
22      Education Nominating Committee shall submit nominations to the Governor as set  
23      forth in KRS 164.005. On making appointments to the council, the Governor shall  
24      ensure broad geographical and political representation; ensure equal representation  
25      of the two (2) sexes, inasmuch as possible; ensure no less than proportional  
26      representation of the two (2) leading political parties of the Commonwealth based  
27      on the state's voter registration and the political affiliation of each appointee as of

1       December 31 of the year preceding the date of his or her appointment; and ensure  
2       that appointments reflect the minority racial composition of the Commonwealth  
3       based on the total minority racial population using the most recent census or  
4       estimate data from the United States Census Bureau. If the determination of  
5       proportional minority representation does not result in a whole number of minority  
6       members, it shall be rounded up to the next whole number. A particular political  
7       affiliation shall not be a prerequisite to appointment to the council generally;  
8       however, if any person is appointed to the council that does not represent either of  
9       the two (2) leading political parties of the Commonwealth, the proportional  
10      representation by political affiliation requirement shall be determined and satisfied  
11      based on the total number of members on the council less any members not  
12      affiliated with either of the two (2) leading political parties. In filling vacancies to  
13      the council, the Governor shall act so as to provide, inasmuch as possible, equal  
14      representation of the two (2) sexes by appointing a member of the sex that is the  
15      lesser represented at the time of the appointment. If the remaining membership  
16      already has an equal number of males and females, the Governor may appoint a  
17      member of either sex. No more than two (2) members of the council shall hold an  
18      undergraduate degree from any one (1) Kentucky university, and no more than  
19      three (3) voting members of the council shall reside in any one (1) judicial district  
20      of the Kentucky Supreme Court as of the date of the appointment. However, change  
21      in residency after the date of appointment shall not affect the ability to serve.

22      (3) One (1) member shall be a full-time faculty member employed at a state institution  
23      of postsecondary education. The faculty member shall be appointed to a four (4)  
24      year term by the Governor from a list of three (3) nominees selected and submitted  
25      by majority vote of the ten (10) faculty members who serve as faculty  
26      representatives of the boards of trustees and boards of regents of the nine (9)  
27      postsecondary education institutions.

1       (4) One (1) member shall be enrolled as a full-time student at a state institution of  
2       postsecondary education and shall be selected annually in the following manner:  
3       not later than June 1 of each year the eight (8) student body presidents of the four  
4       (4) year state public institutions of higher education, the two (2) student members to  
5       the Kentucky Community and Technical College System, and one (1) student body  
6       president representing the members of the Association of Independent Kentucky  
7       Colleges and Universities shall elect by majority vote three (3) nominees to submit  
8       to the Governor. From this list of nominees, the Governor shall appoint a student  
9       member.

10      (5) In filling any vacancies, the Governor shall ensure the continuing representation  
11       upon the council of the broad constituencies as set forth in subsection (2) of this  
12       section. Vacancies on the council shall be filled for the unexpired term in  
13       accordance with the procedures established for the original appointments.

14      (6) Each citizen member shall serve a term of six (6) years unless removed by the  
15       Governor for cause~~, except the initial appointments shall be as follows:~~  
16       (a) ~~Two (2) appointments shall expire December 31, 1997;~~  
17       (b) ~~Three (3) appointments shall expire December 31, 1998;~~  
18       (c) ~~Two (2) appointments shall expire December 31, 1999;~~  
19       (d) ~~Two (2) appointments shall expire December 31, 2000;~~  
20       (e) ~~Two (2) appointments shall expire December 31, 2001; and~~  
21       (f) ~~Two (2) appointments shall expire December 31, 2002].~~

22      (7) Any person, other than the chief state school officer, holding either an elective or  
23       appointive state office or who is a member of the governing board of any state  
24       university in Kentucky, shall be ineligible for membership or appointment on the  
25       council during his term.

26      (8) The members of the council shall elect the chair and the vice chair of the council  
27       from among the council's membership, and the chair and vice chair shall serve at

1 the pleasure of the council. The vice chair shall serve as chair in the absence of the  
2 chair.

3 (9) The council shall meet at least quarterly and at other times upon the call of the chair  
4 or a majority of the council.

5 (10) A quorum shall be a majority of the appointive membership of the council.

6 (11) A quorum shall be required to organize and conduct the business of the council,  
7 except that an affirmative vote of eight (8) or more appointive members of the  
8 entire council shall be required to dismiss from employment the president of the  
9 council, and to adopt or amend the state strategic postsecondary education agenda.

10 (12) New appointees to the council shall not serve more than two (2) consecutive terms.

11 (13) New appointees to the council shall complete an orientation and education program  
12 set forth in KRS 164.020(24) to be eligible for appointment to a second term.

13 ➔Section 7. KRS 164.2843 is amended to read as follows:

14 Each institution of the postsecondary education system, as defined in KRS 164.001{(17)},  
15 that provides in-state tuition for nonresident children of graduates may provide the same  
16 in-state tuition for nonresident siblings of graduates.

17 ➔Section 8. KRS 164.465 is amended to read as follows:

18 (1) The presidents of state postsecondary education institutions identified in KRS  
19 161.220(4)(b) or 164.001~~(13) or (17)~~ shall distribute the written information  
20 provided by the Office of the Attorney General and the Department for Libraries  
21 and Archives under KRS 15.257 and 171.223 to each board of regents or governing  
22 board member of their university. Distribution shall be accomplished within sixty  
23 (60) days of receiving the written information from the Office of the Attorney  
24 General and the Department for Libraries and Archives. Distribution to newly  
25 appointed members shall be accomplished within sixty (60) days of their  
26 appointment. The distribution may be by electronic means.

27 (2) The presidents of state public postsecondary education institutions, as identified in

1 subsection (1) of this section, shall require signatory proof that each board of  
2 regents or governing board member has received the written information as  
3 required under subsection (1) of this section, shall maintain documentation of  
4 receipt on file, and shall certify to the Office of the Attorney General that the  
5 written information has been distributed as required.

6 ➔Section 9. KRS 164.821 is amended to read as follows:

7 (1) The government of the University of Louisville is vested in a board of trustees  
8 appointed for a term set by law pursuant to Section 23 of the Constitution of  
9 Kentucky. The board shall consist of ten (10) members appointed by the Governor,  
10 at least one (1) of whom shall be a graduate of the university; one (1) member of  
11 the teaching faculty of the University of Louisville who shall be the chief executive  
12 of the ranking unit of faculty government; one (1) member of the permanent staff of  
13 the University of Louisville who shall be the chief executive of the staff senate; and  
14 one (1) student member who shall be the president of the student body during the  
15 appropriate academic year. The members appointed by the Governor shall be  
16 subject to confirmation by the Senate.

17 (a) I. All appointed and elected persons shall be required to attend and  
18 complete an orientation and education program prescribed by the  
19 council under KRS 164.020(24), as a condition of their service and  
20 eligibility for appointment or election to a second term.

21 2. Attendance at an orientation and education program required in  
22 subparagraph 1. of this paragraph shall not constitute a meeting for  
23 the purposes of KRS 61.800 to 61.850 if official action is not taken,  
24 regardless of how many board members are in attendance.

25 (b) Board members may be removed by the Governor under the following  
26 circumstances:

27 1. For cause, pursuant to KRS 63.080(2); or



1       Commonwealth based on the state's voter registration and the political  
2       affiliation of each appointee as of December 31 of the year preceding the date  
3       of his or her appointment. A particular political affiliation shall not be a  
4       prerequisite to appointment to the board generally; however, if any person is  
5       appointed to the board that does not represent either of the two (2) leading  
6       political parties of the Commonwealth, the proportional representation by  
7       political affiliation requirement shall be determined and satisfied based on the  
8       total number of members on the board less any members not affiliated with  
9       either of the two (2) leading political parties; and

10      (b) No less than the proportional representation of the minority racial composition  
11       of the Commonwealth based on the total minority racial population using the  
12       most recent census or estimate data from the United States Census Bureau. If  
13       the determination of proportional minority representation does not result in a  
14       whole number of minority members, it shall be rounded up to the next whole  
15       number.

16      (6) Vacancies among the appointed members of the board occurring by death,  
17       resignation, or any other cause, other than expiration of a term, shall be filled by  
18       appointments made by the Governor for the remainder of the unexpired term,  
19       subject to the qualifications set forth in this section.

20      (7) Unless specifically approved by the board of trustees under the provisions of KRS  
21       164.367, no member of the teaching or administrative staff of the university shall be  
22       directly or indirectly interested in any contract with the university for the sale of  
23       property, materials, supplies, equipment, or services, with the exception of  
24       compensation to the faculty, staff, and student members.

25      (8) The inability of the board to hold regular meetings, to elect a chairperson annually,  
26       to establish a quorum, to adopt an annual budget, to set tuition rates, to conduct an  
27       annual evaluation of the president of the university, to carry out its primary function

1 to periodically evaluate the institution's progress in implementing its mission, goals,  
2 and objectives to conform to the strategic agenda, or to otherwise perform its duties  
3 under KRS 164.830 shall be cause for the Governor to remove all appointed  
4 members of the board and replace the entire appointed membership pursuant to  
5 KRS 63.080(4).

6 ➔Section 10. KRS 164.330 is amended to read as follows:

7 ~~{Each board of regents shall hold its first meeting within thirty (30) days after each~~  
8 ~~appointment of new members.} At the first meeting of the board of regents following an~~  
9 ~~appointment of a new member, unless the member was appointed to serve the~~  
10 ~~remainder of an unexpired term,~~~~{this meeting}~~ there shall be elected a vice chairperson  
11 and a secretary for the board. Each board shall appoint a treasurer, and such officers as it  
12 deems necessary, but no member of any of the boards shall be appointed treasurer. No  
13 member of any board shall draw any salary for his or her services, but shall be  
14 reimbursed for necessary expenditures made in going to and from each meeting of the  
15 board and for other legitimate expenses, except a member who resides outside the  
16 Commonwealth shall not be reimbursed for out-of-state travel. The expenses shall be  
17 paid out of the funds of the appropriate institution.

18 ➔Section 11. KRS 164.0203 is amended to read as follows:

19 (1) The Council on Postsecondary Education shall adopt a strategic agenda that  
20 identifies specific short-term objectives in furtherance of the long-term goals of  
21 postsecondary education in the Commonwealth~~{established in KRS 164.003(2)}~~.

22 (2) (a) The purpose of the strategic agenda is to create~~further the public purposes~~  
23 ~~under KRS 164.003 by creating~~ high-quality, relevant, postsecondary  
24 education and adult education opportunities in the Commonwealth. The  
25 strategic agenda shall:

26 1. Serve as the public agenda for postsecondary education and adult  
27 education for the citizens of the Commonwealth, providing statewide

1 priorities and a vision for long-term economic growth;

2 2. State those important issues and aspirations of the Commonwealth's

3 students, employers, and workforce reflecting high expectations for their

4 performance and the performance of the educational institutions and

5 providers that serve them; and

6 3. Sustain a long-term commitment for constant improvement, while

7 valuing market-driven responsiveness, accountability to the public,

8 technology-based strategies, and incentive-based motivation.

9 (b) The council shall develop a strategic implementation plan, which may be

10 periodically revised, to achieve the strategic agenda. The strategic agenda

11 shall serve as a guide for institutional plans and missions.

12 (3) The framework for the strategic implementation plan of the strategic agenda shall

13 include the following elements:

14 (a) A mission statement;

15 (b) Goals;

16 (c) Principles;

17 (d) Strategies and objectives;

18 (e) Benchmarks; and

19 (f) Incentives to achieve desired results.

20 (4) The implementation plan for the strategic agenda shall take into consideration the

21 value to society of a quality liberal arts education and the needs and concerns of

22 Kentucky's employers.

23 (5) The council shall develop benchmarks using criteria that shall include but not be

24 limited to:

25 (a) Use of the statistical information commonly provided by governmental and

26 regulatory agencies or specific data gathered by authorization of the council;

27 (b) Comparison of regions and areas within the Commonwealth and comparisons

of the Commonwealth to other states and the nation; and

2       (c) Measures of educational attainment, effectiveness, and efficiency, including  
3                   but not limited to those set forth in KRS 164.095.

4 (6) ~~The council shall review the goals established by KRS 164.003(2) at least every~~  
5 ~~four (4) years and shall review its implementation plan at least every two (2) years.~~

6 (7) In developing the strategic agenda, the council shall actively seek input from the  
7 Department of Education and local school districts to create necessary linkages to  
8 assure a smooth and effective transition for students from the elementary and  
9 secondary education system to the postsecondary education system. Upon  
10 completion of the strategic agenda and strategic implementation plan, the council  
11 shall distribute copies to each local school district.

12 (7)[(8)} The strategic agenda shall include a long-term strategy, developed in  
13 partnership with the Office of Adult Education, for raising the knowledge and skills  
14 of Kentucky's adult population, and ensuring lifelong learning opportunities for all  
15 Kentucky adults, drawing on the resources of all state government cabinets and  
16 agencies, business and civic leadership, and voluntary organizations.

17 ➔Section 12. KRS 164.7911 is amended to read as follows:

18 (1) There is established and created in the Council on Postsecondary Education a  
19 Strategic Investment and Incentive Funding Program for postsecondary education  
20 to consist of a system of strategic financial assistance awards to institutions,  
21 systems, agencies, and programs of postsecondary education to advance the goals  
22 of postsecondary education in the Commonwealth~~[as stated in KRS 164.003(2)]~~.  
23 There are established in the State Treasury the following individual strategic  
24 investment and incentive trust funds:

25 (a) A research challenge trust fund;

26 (b) A comprehensive university excellence trust fund;

27 (c) A technology initiative trust fund:

1 (d) A physical facilities trust fund;

2 (e) A postsecondary workforce development trust fund; and

3 (f) A student financial aid and advancement trust fund.

4 (2) The funding program and the individual trust funds are created to provide financial

5 assistance to the institutions, systems, agencies, and programs of postsecondary

6 education each fiscal biennium. It is the intent of the General Assembly to make

7 appropriations, including general fund appropriations, each fiscal biennium to each

8 of the individual trust funds in the funding program in a form and manner consistent

9 with the strategic agenda adopted by the Council on Postsecondary Education.

10 Appropriations made to individual trust funds in the Strategic Investment and

11 Incentive Funding Program shall not lapse at the end of a fiscal year but shall be

12 carried forward in the respective trust fund accounts and shall be available for

13 allotment for their respective purposes in the next fiscal year.

14 ➔Section 13. KRS 164.7917 is amended to read as follows:

15 (1) (a) The research challenge trust fund created by KRS 164.7911 may include

16 separate, subsidiary programs and related accounts, such as an Endowed

17 Professorship Matching Program, an Endowed Chairs Matching Program, an

18 External Research Grant Matching Program, a Graduate Assistant Program, a

19 Junior Faculty Research Encouragement Program, or other programs and

20 related accounts as determined through the biennial budget process for the

21 Council on Postsecondary Education.

22 (b) Appropriations to the research challenge trust fund are to encourage research

23 activities at the University of Kentucky and at the University of Louisville[so

24 that these institutions may achieve the goals established in KRS 164.003(2)].

25 (c) Funds appropriated to the research challenge trust fund shall be apportioned

26 two-thirds (2/3) to the University of Kentucky and one-third (1/3) to the

27 University of Louisville.

1       (2) The Council on Postsecondary Education shall develop the criteria and process for  
2       submission of an application under this section. The evaluation of all applications  
3       for support of specific faculty research projects, if such projects are included in the  
4       university's plan for use of research trust funds, shall be subject to review and  
5       ranking by an external panel of experts appointed according to guidelines and  
6       procedures approved by the council in consultation with the University of Kentucky  
7       and the University of Louisville. The University of Kentucky and the University of  
8       Louisville may apply to the council for financial assistance from the research  
9       challenge trust fund. The council shall determine the matching funds or internal  
10      reallocation requirements from the applicants to qualify for funding. Financial  
11      assistance that may be awarded by the council shall be consistent with the adopted  
12      strategic agenda, the biennial budget process, and the availability of any resources  
13      to the research challenge trust fund.

14      ➔Section 14. KRS 164.7919 is amended to read as follows:

15      (1) (a) The comprehensive university excellence trust fund created by KRS 164.7911  
16      shall consist of six (6) separate accounts: one (1) for Eastern Kentucky  
17      University; one (1) for Kentucky State University; one (1) for Morehead State  
18      University; one (1) for Murray State University; one (1) for Northern  
19      Kentucky University; and one (1) for Western Kentucky University.

20      (b) Funds appropriated to the comprehensive university excellence trust fund or  
21      any subsidiary fund created by the Council on Postsecondary Education shall  
22      be apportioned to each of the comprehensive universities proportional to their  
23      respective share of total general fund appropriations in each fiscal year,  
24      excluding debt service appropriations and specialized, noninstructional  
25      appropriations.

26      (c) The purpose of the comprehensive university excellence trust fund is to  
27      provide financial assistance to encourage comprehensive universities to

1           develop at least one (1) nationally recognized program of distinction or at  
2           least one (1) nationally recognized applied research program{consistent with  
3           the goals established in KRS 164.003(2)}.

4       (2) The council shall develop the criteria and process for submission of an application  
5           under this section. Each university may apply to the council for financial assistance  
6           from the comprehensive university excellence trust fund. The council shall  
7           determine the matching funds or internal reallocation requirements from the  
8           applicants to qualify for funding. Financial assistance that may be awarded by the  
9           council shall be consistent with the adopted strategic agenda, the biennial budget  
10          process, and the availability of any resources to the comprehensive university  
11          excellence trust fund.

12          ➔Section 15. KRS 45.238 is amended to read as follows:

13       (1) Debts that are certified by an agency or by a local government as provided in KRS  
14          45.237 shall be referred to the department for collection. The department shall be  
15          vested with all the powers necessary to collect any referred debts.

16       (2) (a) For those debts deemed unfeasible or cost ineffective to pursue, the  
17           department shall maintain written records of the debt and the reason the debt  
18           was deemed unfeasible or cost ineffective to pursue.

19       (b) In the case of agencies, these debts shall be written off in accordance with  
20           administrative regulations promulgated under the authority of subsection (6)  
21           of this section.

22       (c) In the case of local governments, these debts shall be returned to the referring  
23           local government for further action.

24       (d) *In the case of public postsecondary education institutions, these debts shall*  
25           *be returned to the referring institution, except that enrollment-related debts*  
26           *and liquidated debts shall only be returned to the referring institution in*  
27           *accordance with Section 16 of this Act.*

1       (3) (a) All certified debts of agencies received by the department after the sixty (60)  
2                   day collection period allowed in KRS 45.237(4), and all certified debts of a  
3                   local government received by the department after the ninety (90) day  
4                   collection period allowed by KRS 45.237(5), shall be subject to:

5                   1. Interest at the tax interest rate determined under KRS 131.183 on the  
6                   amount of the debt plus all accruals authorized by law, from the date the  
7                   debt is certified to the department until it is satisfied; and  
8                   2. A one (1) time twenty-five percent (25%) collection fee imposed on the  
9                   amount of the debt plus all accruals authorized by law, as of the time of  
10                   referral.

11               (b) The department may retain the collection fee.

12               (c) In the case of agencies and the Court of Justice, recovered funds and interest  
13                   may, at the discretion of the secretary of the Finance and Administration  
14                   Cabinet, be returned to the agency certifying the debt or improper payment or  
15                   to the Court of Justice for allocation as otherwise provided by law. If the  
16                   recovered funds and interest are not returned to the agency or Court of Justice,  
17                   the amounts shall be deposited in the budget reserve trust fund established in  
18                   KRS 48.705, except for Medicaid benefits and funds required by law to be  
19                   remitted to a federal agency.

20               (d) In the case of local governments, recovered funds and interest shall be  
21                   returned to the referring local government for allocation as provided by  
22                   ordinance, resolution, or as otherwise provided by law.

23               (e) *In the case of public postsecondary education institutions, recovered funds*  
24                   *and interest shall be returned to the referring institution less the collection*  
25                   *fee retained by the department under paragraphs (a) and (b) of this*  
26                   *subsection.*

27       (4) The commissioner of the department may refer to the Attorney General any

1           unsatisfied claim, demand, account, or judgment in favor of the Commonwealth for  
2           further civil or criminal action under KRS 15.060.

3       (5) (a) The department shall report annually by October 1 to the Legislative Research  
4           Commission on all referred certified debts, including at least a summary of  
5           the debts by agency, fund type, and age, the latter compiled in the following  
6           four (4) categories:

- 7           1. Debts from ninety (90) to one hundred seventy-nine (179) days old;
- 8           2. Debts from one hundred eighty (180) to three hundred sixty-four (364)  
9           days old;
- 10           3. Debts over one (1) year old but less than three (3) years old; and
- 11           4. Debts three (3) years old or older.

12       (b) The annual report shall also include the collection amount of the debts in  
13           paragraph (a) of this subsection and the accounts to which the amounts are  
14           credited.

15       (6) The department shall promulgate administrative regulations in accordance with  
16           KRS Chapter 13A to establish standards that agencies shall use in determining  
17           when to write debts off the books.

18       (7) This section shall not affect the collection of delinquent taxes by sheriffs or county  
19           attorneys under KRS 91A.070 or 134.504.

20           ➔Section 16. KRS 45.241 is amended to read as follows:

21       (1) As used in this section **and Section 15 of this Act:**

22       (a) "Debt" means:

- 23           1. For agencies, a sum certain which has been certified by an agency as  
24           due and owing; and
- 25           2. For local governments, a sum certain which has been certified by a local  
26           government as due and owing, including but not limited to any  
27           delinquent taxes or fees other than delinquent real and personal property

1 taxes;

2 (b) "Liquidated debt" means:

6           2. For local governments, a legal debt for a sum certain which has been  
7           certified by a local government as final due and owing, all appeals and  
8           legal actions having been exhausted, including but not limited to any  
9           delinquent taxes or fees other than delinquent real and personal property  
10           taxes; and

11       3. For the Court of Justice, a legal debt including any fine, fee, court costs,  
12                   or restitution due the Commonwealth, which have been imposed by a  
13                   final sentence of a trial court of the Commonwealth and for which the  
14                   time permitted for payment pursuant to the provisions of KRS 534.020  
15                   has expired;

16 (c) "Agency" means an organizational unit or administrative body in the  
17 executive branch of state government, as defined in KRS 12.010;

18 (d) "Department" means the Department of Revenue;

19 (e) "Court of Justice" means the Administrative Office of the Courts, all courts,  
20 and all clerks of the courts:

21 (f) "Forgivable loan agreement" means a loan agreement entered into between an  
22 agency and a borrower that establishes specific conditions, which, if satisfied  
23 by the borrower, allows the agency to forgive a portion or all of the loan;

24 (g) "Improper payment" means a payment made to a vendor, provider, or  
25 recipient due to error, fraud, or abuse.~~and~~

26 (h) "Local government" means any city, county, urban-county government,  
27 consolidated local government, charter county, or unified local government of

the Commonwealth; and

(i) "Enrollment-related debt" means a sum certain which has been certified by a public postsecondary education institution as due and owing by virtue of enrollment at the institution, including debt incurred for tuition, fees, student housing, student dining, and other enrollment-related costs.

6 (2) Each agency and the Court of Justice shall develop, maintain, and update in a  
7 timely manner an ongoing inventory of each debt owed to it, including debts due to  
8 improper payments, and shall make every reasonable effort to collect each debt.  
9 Within sixty (60) days after the identification of a debt, each agency shall begin  
10 administrative action to collect the debt.

11 (3) The Auditor of Public Accounts shall review each agency's debt identification and  
12 collection procedures as part of the annual audit of state agencies.

13 (4) An agency shall not forgive any debt owed to it unless that agency has entered into  
14 a forgivable loan agreement with a borrower, or unless otherwise provided by  
15 statute.

16 (5) For those agencies without statutory procedures for collecting debts, the  
17 Department of Revenue shall promulgate administrative regulations in accordance  
18 with KRS Chapter 13A to prescribe standards and procedures with which those  
19 agencies shall comply regarding collection of debts, notices to persons owing debt,  
20 information to be monitored concerning the debts, and an appeals process.

21 (6) (a) Each agency and the Court of Justice shall identify all liquidated debts,  
22 including debts due to improper payments, and shall submit a list of those  
23 liquidated debts in the form and manner prescribed by the department to the  
24 department for review. The department shall review the information submitted  
25 by the agencies and the Court of Justice and shall, within ninety (90) days of  
26 receipt of the information, determine whether it would be cost-effective for  
27 the department to further pursue collection of the liquidated debts.

1 (b) A local government, after making reasonable efforts to collect its debts, may  
2 by ordinance, resolution, or otherwise pursuant to law, submit a list of its  
3 liquidated debts that have been due and owing for more than ninety (90) days  
4 to the department for review to determine whether it would be cost-effective  
5 for the department to pursue collection of the liquidated debts. The  
6 department shall review the information submitted by a local government and  
7 shall, within ninety (90) days of receipt of the information, determine whether  
8 it would be cost-effective for the department to further pursue collection of  
9 the liquidated debts.

10 (c) The department may, after consultation with the agency, Court of Justice, or a  
11 local government, return the liquidated debt to the entity submitting the  
12 liquidated debt if:

13 1. The request for review contains insufficient information; or  
14 2. The debt is not feasible to collect.  
15 Any return of a liquidated debt shall be in writing, and shall state why the debt  
16 is being returned.

17 (d) The department shall identify in writing to the submitting agency, Court of  
18 Justice, or local government, the liquidated debts it has determined that it can  
19 pursue in a cost-effective manner, and the agency, Court of Justice, or local  
20 government shall officially refer the identified liquidated debts to the  
21 department for collection.

22 (e) The agency, Court of Justice, and local government shall retain a complete  
23 record of all liquidated debts referred to the department for collection until the  
24 debt is collected, forgiven, or returned as uncollectible.

25 (f) Each agency, the Court of Justice, and local government shall make  
26 appropriate accounting of any uncollected debt as prescribed by law.

27 (7) (a) If the agency recovers the debt funds prior to referral to the department, the

1                   agency shall retain the collected funds in accordance with its statutory  
2                   authority.

3                   (b) 1. Upon referral of a liquidated debt or enrollment-related debt to the  
4                   department, the liquidated debt or enrollment-related debt shall accrue  
5                   the following amounts:

6                   a. Interest on the total amount of the debt plus legal accruals at the  
7                   tax interest rate provided in KRS 131.183, from the time of  
8                   referral until paid; and  
9                   b. A one (1) time twenty-five percent (25%) collection fee on the  
10                   total amount of the debt plus legal accruals, as of the time of  
11                   referral;  
12                   unless the interest and collection fee are waived by the department.

13                   2. The interest and collection fee shall be in addition to any other costs  
14                   accrued prior to the time of referral.

15                   3. The department may deduct and retain from the liquidated debt  
16                   recovered an amount equal to the lesser of the collection fee or the  
17                   actual expenses incurred in the collection of the debt.

18                   4. In the case of agencies and the Court of Justice, any funds recovered by  
19                   the department after the deduction of the department's cost of collection  
20                   expenses may, at the discretion of the secretary of the Finance and  
21                   Administration Cabinet, be returned to the agency identifying the  
22                   liquidated debt or to the Court of Justice for allocation as otherwise  
23                   provided by law. If the recovered funds and interest are not returned to  
24                   the agency or Court of Justice, the amounts shall be deposited in the  
25                   general fund, except for Medicaid benefits funds and funds required by  
26                   law to be remitted to a federal agency, which shall be remitted as  
27                   required by law.

1           5. In the case of local governments, any funds recovered by the department  
2           after the deduction of the department's cost of collection expenses shall  
3           be returned to the local government referring the liquidated debt, for  
4           allocation as provided by ordinance, resolution, or as otherwise provided  
5           by law.

6           (c) Nothing in this section shall prohibit the department from entering into a  
7           memorandum of agreement with an agency pursuant to KRS 131.130(11), for  
8           collection of debts prior to liquidation. If an agency enters into an agreement  
9           with the department, the agency shall retain funds collected according to the  
10           provisions of the agreement.

11           (d) This section shall not affect any agreement between the department and an  
12           agency entered into under KRS 131.130(11) that is in effect on July 13, 2004,  
13           that provides for the collection of liquidated debts by the department on behalf  
14           of the agency.

15           (e) This section shall not affect the collection of delinquent taxes by sheriffs or  
16           county attorneys under KRS 91A.070 or 134.504.

17           (f) This section shall not affect the collection of performance or reclamation  
18           bonds.

19           (g) 1. Notwithstanding any other provision of this section, each public  
20           postsecondary education institution and the department:  
21           a. Shall enter into an annual memorandum of agreement pursuant  
22           to Section 17 of this Act for collection of enrollment-related  
23           debts and liquidated debts referred by the institution; and  
24           b. May enter into a memorandum of agreement pursuant to Section  
25           17 of this Act for collection of other debts prior to liquidation.

26           2. The department is authorized to collect enrollment-related debts,  
27           liquidated debts, and other debts designated in a memorandum of

agreement with a public postsecondary education institution on behalf of a referring institution.

3. The department shall not decline to collect a specific enrollment-related debt or liquidated debt that is referred to the department by a public postsecondary education institution unless the department:

**a. Performs an individualized analysis of the debt;**

**b. *Determines that the debt is not:***

**i. An enrollment-related debt;**

ii. Liquidated debt; or

**iii. Feasible to collect; and**

c. Provides a written statement to the referring institution that includes an individualized analysis of the reason the specific debt cannot be collected by the department.

14 (8) Upon receipt of a referred liquidated debt or enrollment-related debt and after its  
15 determination that the debt is feasible and cost-effective to collect, the department  
16 shall pursue collection of the referred debt in accordance with KRS 131.030.

17 (9) By administrative regulation promulgated under KRS Chapter 13A, the department  
18 shall prescribe the electronic format and form of, and the information required in, a  
19 referral.

20 (10) (a) The department shall report annually by October 1 to the Interim Joint  
21 Committee on Appropriations and Revenue on the collection of debts,  
22 including debts due to improper payments, referred by agencies and the Court  
23 of Justice. The report shall include the total amount by agency and fund type  
24 of liquidated debt that has been referred to the department; the amount of each  
25 referring agency's liquidated debt, by fund type, that has been collected by the  
26 department; and the total amount of each referring agency's liquidated debt,  
27 by fund type, that the department determined to be cost-ineffective to collect.

1 including the reasons for the determinations.

2 (b) Each cabinet shall report annually by October 1 to the Interim Joint  
3 Committee on Appropriations and Revenue on:

4 1. The amount of previous fiscal year unliquidated debt by agency,  
5 including debts due to improper payments, fund type, category, and age,  
6 the latter to be categorized as less than one (1) year, less than five (5)  
7 years, less than ten (10) years, and over ten (10) years; and  
8 2. The amount, by agency, of liquidated debt, including debts due to  
9 improper payments, not referred to the department; a summary, by  
10 criteria listed in subsection (6)(a) of this section, of reasons the  
11 department provided for not requesting referral of those liquidated  
12 debts; and a summary of the actions each agency is taking to collect  
13 those liquidated debts.

14 (c) Beginning on October 1, 2005, the Court of Justice shall report annually by  
15 October 1 of each year to the Interim Joint Committee on Appropriations and  
16 Revenue the amount of previous fiscal year unliquidated debt by county and  
17 whether in the Circuit Court or District Court; and fund type and age, the  
18 latter categorized as less than one (1) year, less than five (5) years, less than  
19 ten (10) years, and over ten (10) years. The first year for which the Court of  
20 Justice shall be required to report is the fiscal year beginning on July 1, 2004  
21 and ending on June 30, 2005. The Court of Justice shall not be required to  
22 report unliquidated debts in existence prior to July 1, 2004.

23 (d) The Finance and Administration Cabinet shall report annually by October 1 to  
24 the Interim Joint Committee on Appropriations and Revenue on the amount of  
25 the General Government Cabinet's unliquidated debt by agency, fund type,  
26 and age, the latter categorized as less than one (1) year, less than five (5)  
27 years, less than ten (10) years, and over ten (10) years.

1       (11) At the time of submission of a liquidated debt to the department for review, the  
2       referring agency, the Court of Justice, or, where feasible, the local government shall  
3       provide information about the debt to the State Treasurer for the Treasurer's action  
4       under KRS 44.030(1).

5       ➔Section 17. KRS 131.130 is amended to read as follows:

6       Without limitation of other duties assigned to it by law, the following powers and duties  
7       are vested in the department:

8       (1) The department may promulgate administrative regulations, and direct proceedings  
9       and actions, for the administration and enforcement of all tax laws of this state. To  
10       assist taxpayers in understanding and interpreting the tax laws, the department may,  
11       through incorporation by reference, include examples as part of any administrative  
12       regulation. The examples may include demonstrative, nonexclusive lists of items if  
13       the department determines the lists would be helpful to taxpayers in understanding  
14       the application of the tax laws.

15       (2) The department, by representatives it appoints in writing, may take testimony or  
16       depositions, and may examine hard copy or electronic records, any person's  
17       documents, files, and equipment if those records, documents, or equipment will  
18       furnish knowledge concerning any taxpayer's tax liability, when it deems this  
19       reasonably necessary to the performance of its functions. The department may  
20       enforce this right by application to the Circuit Court in the county where the person  
21       is domiciled or has his or her principal office, or by application to the Franklin  
22       Circuit Court, which courts may compel compliance with the orders of the  
23       department.

24       (3) The department shall prescribe the style, and determine and enforce the use or  
25       manner of keeping, of all assessment and tax forms and records employed by state  
26       and county officials, and may prescribe forms necessary for the administration of  
27       any revenue law.

- 1       (4) The department shall advise on all questions respecting the construction of state  
2       revenue laws and its application to various classes of taxpayers and property.
- 3       (5) Attorneys employed by the Finance and Administration Cabinet and approved by  
4       the Attorney General as provided in KRS 15.020 may prosecute all violations of the  
5       criminal and penal laws relating to revenue and taxation. If a Finance and  
6       Administration Cabinet attorney undertakes any of the actions prescribed in this  
7       subsection, that attorney shall be authorized to exercise all powers and perform all  
8       duties in respect to the criminal actions or proceedings which the prosecuting  
9       attorney would otherwise perform or exercise, including the authority to sign, file,  
10       and present any complaints, affidavits, information, presentments, accusations,  
11       indictments, subpoenas, and processes of any kind, and to appear before all grand  
12       juries, courts, or tribunals.
- 13       (6) In the event of the incapacity of attorneys employed by the Finance and  
14       Administration Cabinet or at the request of the secretary of the Finance and  
15       Administration Cabinet, the Attorney General or his or her designee shall prosecute  
16       all violations of the criminal and penal laws relating to revenue and taxation. If the  
17       Attorney General undertakes any of the actions prescribed in this subsection, he or  
18       she shall be authorized to exercise all powers and perform all duties in respect to  
19       the criminal actions or proceedings which the prosecuting attorney would otherwise  
20       perform or exercise, including but not limited to the authority to sign, file, and  
21       present any and all complaints, affidavits, information, presentments, accusations,  
22       indictments, subpoenas, and processes of any kind, and to appear before all grand  
23       juries, courts, or tribunals.
- 24       (7) The department may require the Commonwealth's attorneys and county attorneys to  
25       prosecute actions and proceedings and perform other services incident to the  
26       enforcement of laws assigned to the department for administration.
- 27       (8) (a) Notwithstanding KRS Chapter 13A, the department may research the fields of

1 taxation, finance, and local government administration, publish its findings,  
2 respond to the public's and taxpayers' questions, and publish its responses.

3 (b) To assist taxpayers and the public in understanding and interpreting the tax  
4 laws, the department:

5 1. May include examples as part of any response or publication. The  
6 examples may include demonstrative, nonexclusive lists of items, if the  
7 department determines that the list would be helpful to taxpayers in  
8 understanding the application of the tax laws; and

9 2. Shall publish its administrative writings, tax forms, and instructions to  
10 those tax forms on its official website in accordance with KRS  
11 131.020(1)(b).

12 (9) The department may promulgate administrative regulations necessary to establish a  
13 system of taxpayer identifying numbers for the purpose of securing proper  
14 identification of taxpayers subject to any tax laws or other revenue measure of this  
15 state, and may require the taxpayer to place on any return, report, statement, or  
16 other document required to be filed, any number assigned pursuant to the  
17 administrative regulations.

18 (10) The department may, when it is in the best interest of the Commonwealth and  
19 helpful to the efficient and effective enforcement, administration, or collection of  
20 sales and use tax, motor fuels tax, or the petroleum environmental assurance fee,  
21 enter into agreements with out-of-state retailers or other persons for the collection  
22 and remittance of sales and use tax, the motor fuels tax, or the petroleum  
23 environmental assurance fee.

24 (11) (a) The department may enter into annual memoranda of agreement with any  
25 state agency, officer, board, commission, corporation, institution, cabinet,  
26 department, or other state organization to assume the collection duties for any  
27 debts due the state entity, except for consumer debt owed for health care

1 goods and services, and may renew that agreement for up to five (5) years.

2 Under such an agreement, the department shall have all the powers, rights,  
3 duties, and authority with respect to the collection, refund, and administration  
4 of those liquidated debts as provided under:

5 1. [(a)] KRS Chapters 131, 134, and 135 for the collection, refund, and  
6 administration of delinquent taxes; and

7 2. [(b)] Any applicable statutory provisions governing the state agency,  
8 officer, board, commission, corporation, institution, cabinet, department,  
9 or other state organization for the collection, refund, and administration  
10 of any liquidated debts due the state entity.

11 (b) Notwithstanding paragraph (a) of this subsection, each public  
12 postsecondary education institution and the department:

13 1. Shall enter into an annual memorandum of agreement for the  
14 collection of enrollment-related debts and liquidated debts in  
15 accordance with Section 16 of this Act; and

16 2. May enter into an annual memorandum of agreement for the  
17 collection of other debts prior to liquidation.

18 Any agreement under this paragraph shall require that recovered funds and  
19 interest be returned to the referring institution in accordance with Section  
20 15 of this Act.

21 (12) Notwithstanding subsection (11) of this section, KRS 45.237, 45.238, 45.241, or  
22 131.030, or any agreement to the contrary, the department shall not collect or  
23 continue collection duties of any consumer debts owed for health care goods and  
24 services. For the purpose of this section, "consumer debt" shall be defined as a debt  
25 incurred by an individual, as defined in KRS 141.010, for a personal or family  
26 purpose, regardless of whether an obligation has been reduced to judgment.

27 (13) The department may refuse to accept a personal check in payment of taxes due or

1       collected from any person who has ever tendered a check to the state which, when  
2       presented for payment, was not honored. Any check so refused shall be considered  
3       as never having been tendered.

4       ➔Section 18. KRS 164.525 is amended to read as follows:

5       (1) The Center for Mathematics is hereby created to make available professional  
6       development for teachers in reliable, research-based diagnostic assessment and  
7       intervention strategies, coaching and mentoring models, and other programs in  
8       mathematics. The center shall be headed by an executive director and administered  
9       by Northern Kentucky University~~[a public postsecondary education institution]~~.

10      The center shall:

11       (a) Act as a clearinghouse for information about professional development  
12       programs for teachers that address mathematics diagnostic assessment,  
13       intervention programs, coaching and mentoring programs, and other  
14       instructional strategies to address students' needs;

15       (b) Collaborate with Kentucky's other public and private postsecondary  
16       institutions to develop teachers' mathematical knowledge needed for teaching  
17       and help teachers improve students' mathematical concepts, thinking,  
18       problem-solving, and skills, with an emphasis on diagnostic assessment and  
19       intervention programs for students in the primary program;

20       (c) Provide teacher training to develop teacher leaders and teaching specialists in  
21       primary programs who have skills in diagnostic assessment and intervention  
22       services to assist struggling students or those who are at risk of failure in  
23       mathematics. The center may contract for services in order to carry out this  
24       responsibility;

25       (d) Maintain a demonstration and training site for mathematics located at each of  
26       the public universities;

27       (e) Advise the Kentucky Department of Education and Kentucky Board of

1 Education regarding:

2     1. Early mathematics content, diagnostic assessment practices, and

3             intervention programs;

4     2. Costs and effectiveness of various mathematics intervention programs;

5     3. Coaching and mentoring models that help improve student

6             achievements;

7     4. Trends and issues relating to mathematics programs in schools

8             throughout the state; and

9     5. The establishment and implementation of the Middle School

10             Mathematics and Science Scholars Program established under KRS

11             158.848; and

12 (f) Disseminate information to teachers, administrators, and policymakers on an

13             ongoing basis.

14 (2) *On or before October 1 of each year, Northern Kentucky University shall submit*  
15 *a report to the Council on Postsecondary Education **and the Legislative Research***  
16 *Commission, for referral to the appropriate interim joint committee, on the*  
17 *operation of the center and the impact of the center on student achievement**[shall*  
18 *select a location for the center no later than January 1, 2006. The council shall use a*  
19 *request for proposal process. In developing the request for proposal, the council*  
20 *shall seek advice from the Committee for Mathematics Achievement created in*  
21 *KRS 158.842 and the commissioner of education. The center shall be located at the*  
22 *selected university through July 1, 2011, unless funding is not available, the council*  
23 *deems the performance of the institute to be inadequate, or the university requests*  
24 *to discontinue its relationship to the institute. Contingent upon available funding at*  
25 *the end of the initial cycle, and each five (5) year period thereafter, the council shall*  
26 *issue a request for proposal to all public postsecondary education institutions to*  
27 *administer the center].*

1            ➔Section 19. KRS 164.360 is amended to read as follows:

2     (1) (a) Each board of regents for the universities shall appoint a president, appoint all  
3            faculty members and employees, and fix their compensation and tenure of  
4            service, subject to the provisions of subsections (2) to (5) of this section.  
5            Faculty member and employee appointment and removal decisions may be  
6            delegated to the president in accordance with policy adopted by each board of  
7            regents.

8     (b) The board of regents for the Kentucky Community and Technical College  
9            System shall appoint a president, appoint all faculty members and employees,  
10            and fix their compensation and tenure of service, subject to the provisions of  
11            subsections (2) to (5) of this section. Faculty member and employee  
12            appointment and removal decisions may be delegated to the president in  
13            accordance with policy adopted by the board of regents.

14    (2) No person shall be employed at an institution where his or her relative serves on the  
15            board of regents for that institution.

16    (3) Each board may remove the president of the university or Kentucky Community  
17            and Technical College System, and the president may remove any faculty member  
18            or employee.

19    (4) No president or faculty member shall be removed except for cause, which shall  
20            include incompetency, neglect of or refusal to perform his or her duty, immoral  
21            conduct, or failure to meet college or university performance and productivity  
22            requirements as determined in accordance with subsection (5) of this section. A  
23            president or faculty member shall not be removed until after thirty (30) days' notice  
24            in writing, stating the nature of the charges preferred, and after an opportunity has  
25            been given him or her to make defense before the board by counsel or otherwise  
26            and to introduce testimony which shall be heard and determined by the board.  
27            Charges against a president shall be preferred by the chairperson of the board upon

written information furnished to him or her, and charges against a faculty member shall be preferred in writing by the president unless the offense is committed in his or her presence.

(5) (a) President and faculty member performance and productivity shall be evaluated at least once every four (4) years using a process approved by each board.

(b) *Any preliminary discussions relating to the evaluation of the president by the board or between the board and the president prior to the final evaluation report shall be conducted in closed session pursuant to KRS 61.810(1)(f).*

(c) *The final performance and productivity evaluation report on the president shall be in writing, discussed and adopted in an open meeting of the board and reflected in the minutes, and made available to the public upon request.*

(d) Failure to meet performance and productivity requirements may result in removal of a president or faculty member regardless of status.

(e) The evaluation process shall be established by each board and provided to all faculty members by January 1, 2026, to become effective July 1, 2026.

➔Section 20. KRS 164.230 is amended to read as follows:

(1) The board of trustees has full power to suspend or remove any of the officers, teachers, professors, or agents that it is authorized to appoint, but no president, professor, or teacher shall be removed except for incompetency, neglect of or refusal to perform his or her duty, immoral conduct, or failure to meet college or university performance and productivity requirements as determined in accordance with subsection (2) of this section. A president, professor, or teacher shall not be removed until after thirty (30) days' notice in writing, stating the nature of the charges preferred, and after an opportunity has been given him or her to make defense before the board by counsel or otherwise and to introduce testimony which

1 shall be heard and determined by the board. Officer, teacher, professor, or agent  
2 appointment and removal decisions may be delegated to the president in accordance  
3 with policy adopted by the board of trustees.

4 (2) **(a)** President, teacher, and professor performance and productivity shall be  
5 evaluated at least once every four (4) years using a process approved by the  
6 board.

7 **(b) Any preliminary discussions relating to the evaluation of the president by**  
8 **the board or between the board and the president prior to the final**  
9 **evaluation shall be conducted in closed session pursuant to KRS**  
10 **61.810(1)(f).**

11 **(c) The final performance and productivity evaluation report on the president**  
12 **shall be in writing, discussed and adopted in an open meeting of the board**  
13 **and reflected in the minutes, and made available to the public upon request.**

14 (d) Failure to meet performance and productivity requirements may result in  
15 removal of a president, teacher, or professor regardless of status. The  
16 evaluation process shall be established by the board and provided to all  
17 faculty members by January 1, 2026, to become effective July 1, 2026.

18 ➔Section 21. KRS 164.830 is amended to read as follows:

19 (1) The board of trustees of the University of Louisville shall constitute a body  
20 corporate, with the usual corporate powers, and shall possess all the authorities,  
21 immunities, rights, privileges, and franchises usually attaching to the governing  
22 bodies of Kentucky public higher educational institutions. A majority of the voting  
23 members of the board shall constitute a quorum for the transaction of business.  
24 Powers of the board shall include the following:

25 (a) Appointment of a president, all faculty members, and other personnel and  
26 determination of the compensation, duties, and official relations of each. No  
27 relative of a board of trustee member shall be employed by the university.

1                   Faculty member and personnel appointment decisions may be delegated to the  
2                   president in accordance with policy adopted by the board of trustees;

3                   (b) Suspension or removal of the president, officers, faculty, agents, or other  
4                   personnel that it is authorized to appoint, except that no president, professor,  
5                   or teacher shall be removed except for incompetence, neglect of or refusal to  
6                   perform his or her duty, immoral conduct, or failure to meet college or  
7                   university performance and productivity requirements as determined in  
8                   accordance with paragraph (c) of this subsection. Any removal shall be made  
9                   in accordance with procedures established by law for state institutions.  
10                  Officer, faculty, agent, or other personnel removal decisions may be delegated  
11                  to the president in accordance with policy adopted by the board of trustees;

12                  (c) 1. Creation of a process requiring the evaluation of the performance and  
13                   productivity of the president, professors, and teachers at least once every  
14                   four (4) years.

15                  2. Any preliminary discussions relating to the evaluation of the president  
16                  by the board or between the board and the president prior to the final  
17                  evaluation report shall be conducted in closed session pursuant to  
18                  KRS 61.810(1)(f).

19                  3. The final performance and productivity evaluation of the president  
20                  shall be in writing, discussed and adopted in an open meeting of the  
21                  board and reflected in the minutes, and made available to the public  
22                  upon request.

23                  4. Failure to meet performance and productivity requirements may result in  
24                   removal of a president, professor, or teacher regardless of status.

25                  5. The evaluation process shall be established by the board and provided to  
26                   all faculty members by January 1, 2026, to become effective July 1,  
27                   2026;

- 1 (d) Election of a chairperson, a vice chairperson to act in the absence or  
2 temporary disability of the chairperson, and any other officers as it deems  
3 wise, including the annual election of a six (6) member executive committee  
4 which shall have the powers that the board delegates to it and shall operate  
5 under the rules the board shall establish under its authority to make bylaws,  
6 rules, and regulations consistent with this chapter. The committee shall have  
7 one (1) member representing the students, faculty, and nonteaching personnel  
8 with the group alternating each year. The initial appointment to the executive  
9 committee after March 21, 2017, shall be a faculty member, to be followed by  
10 a student and a nonteaching personnel, respectively;
- 11 (e) Receipt, retention, and administration, on behalf of the university, subject to  
12 the conditions attached, all revenues accruing from endowments,  
13 appropriations, allotments, grants or bequests, and all types of property;
- 14 (f) Requirement of reports from the president, officers, faculty, and employees as  
15 it deems necessary and proper from time to time;
- 16 (g) Granting degrees to graduates of the university, prescription of conditions  
17 upon which postgraduate honors may be obtained, and conferment of  
18 honorary degrees;
- 19 (h) The board shall periodically evaluate the institution's progress in  
20 implementing its missions, goals, and objectives to conform to the strategic  
21 agenda. Officers and officials shall be held accountable for the status of the  
22 institution's progress; and
- 23 (i) The board shall adopt bylaws, rules, and regulations for the governance of its  
24 members, officers, agents, and employees, which shall reference the member  
25 removal and replacement provisions of KRS 63.080, and the board shall  
26 enforce obedience to those bylaws, rules, and regulations.

27 (2) Board members shall receive no compensation for serving on the board, but shall be

1       reimbursed for travel expenses for attending meetings and performing other official  
2       functions, consistent with the reimbursement policy for state employees. Board  
3       members who reside outside the Commonwealth shall not be reimbursed for out-of-  
4       state travel expenses.

5       (3) The provisions of KRS 164.030, 164.200, and 164.410, shall be applicable to the  
6       University of Louisville, except where inconsistent with the purposes of KRS  
7       164.810 to 164.870.

8       ➔Section 22. KRS 164.131 is amended to read as follows:

9       (1) (a) The government of the University of Kentucky is vested in a board of trustees  
10       appointed for a term set by law pursuant to Section 23 of the Constitution of  
11       Kentucky.

12       (b) **L**. All appointed and elected persons shall be required to attend and  
13       complete an orientation and education program prescribed by the  
14       council under KRS 164.020(24), as a condition of their service and  
15       eligibility for appointment or election to a second term.

16       **2. Attendance at an orientation and education program required in**  
17       **subparagraph 1. of this paragraph shall not constitute a meeting for**  
18       **the purposes of KRS 61.800 to 61.850 if official action is not taken,**  
19       **regardless of how many board members are in attendance.**

20       (c) The board shall periodically evaluate the institution's progress in  
21       implementing its missions, goals, and objectives to conform to the strategic  
22       agenda. Officers and officials shall be held accountable for the status of the  
23       institution's progress.

24       (d) Board members may be removed by the Governor under the following  
25       circumstances:

26           1. For cause, pursuant to KRS 63.080(2); or  
27           2. Pursuant to KRS 63.080(3) or (4).

1 (e) The board shall consist of sixteen (16) members appointed by the Governor,  
2 two (2) members of the faculty of the University of Kentucky, one (1)  
3 member of the University of Kentucky nonteaching personnel, and one (1)  
4 member of the student body of the University of Kentucky. The members  
5 appointed by the Governor shall be subject to confirmation by the Senate. The  
6 voting members of the board shall select a chairperson annually.

7 (2) (a) The terms of the appointed members shall be for six (6) years and until their  
8 successors are appointed and qualified, unless a member is removed by the  
9 Governor pursuant to KRS 63.080(2), (3), or (4), except the initial  
10 appointments shall be as follows:

11 1. Two (2) members shall serve one (1) year terms;  
12 2. Two (2) members shall serve two (2) year terms, one (1) of whom shall  
13 be a graduate of the university, selected from a list of three (3) names  
14 submitted by the alumni of the university according to rules established  
15 by the board of trustees;  
16 3. Three (3) members shall serve three (3) year terms;  
17 4. Three (3) members shall serve four (4) year terms, one (1) of whom  
18 shall be a graduate of the university, selected as under subparagraph 2.  
19 of this subsection;  
20 5. Three (3) members shall serve five (5) year terms; and  
21 6. Three (3) members shall serve six (6) year terms, one (1) of whom shall  
22 be a graduate of the university, selected as under subparagraph 2. of this  
23 subsection.

24 (b) 1. Three (3) of the appointments shall be graduates of the university and  
25 may include one (1) graduate of the institution who resides outside the  
26 Commonwealth;  
27 2. Three (3) shall be representative of agricultural interests; and

1           3. Ten (10) shall be other distinguished citizens representative of the  
2           learned professions and may include one (1) who resides outside of  
3           Kentucky.

4           (c) The Governor shall make the appointments so as to reflect proportional  
5           representation of the two (2) leading political parties of the Commonwealth  
6           based on the state's voter registration and the political affiliation of each  
7           appointee as of December 31 of the year preceding the date of his or her  
8           appointment, and to reflect no less than proportional representation of the  
9           minority racial composition of the Commonwealth based on the total minority  
10           racial population using the most recent census or estimate data from the  
11           United States Census Bureau. If the determination of proportional minority  
12           representation does not result in a whole number of minority members, it shall  
13           be rounded up to the next whole number. A particular political affiliation shall  
14           not be a prerequisite to appointment to the board generally; however, if any  
15           person is appointed to the board that does not represent either of the two (2)  
16           leading political parties of the Commonwealth, the proportional representation  
17           by political affiliation requirement shall be determined and satisfied based on  
18           the total number of members on the board less any members not affiliated  
19           with either of the two (2) leading political parties.

20           (d) Appointments to fill vacancies shall be made for the unexpired term in the  
21           same manner as provided for the original appointments.

22           (3) The two (2) University of Kentucky faculty members shall be of the rank of  
23           assistant professor or above. They shall be elected by secret ballot by all University  
24           of Kentucky faculty members of the rank of assistant professor or above. Faculty  
25           members shall serve for terms of three (3) years and until their successors are  
26           elected and qualified. Faculty members shall be eligible for reelection, but they  
27           shall be ineligible to continue to serve as members of the board of trustees if they

1 cease to be members of the faculty of the university. Elections to fill vacancies shall  
2 be for the unexpired term in the same manner as provided for original elections.

3 (4) The nonteaching personnel member shall be any full-time staff member, excluding  
4 the president, vice-presidents, academic deans, and academic department  
5 chairpersons. The staff member shall represent all nonteaching university  
6 employees, including but not limited to building facilities and clerical personnel.  
7 The staff member shall be elected by secret ballot by the nonteaching employees.  
8 The staff member shall serve a term of three (3) years and until a successor is  
9 elected and qualified. The staff member shall be eligible for reelection, but a staff  
10 member who ceases being an employee of the university shall not be eligible to  
11 continue to serve as a member of the board. Elections to fill vacancies shall be for  
12 the unexpired term and shall be held in the same manner as provided for the  
13 original election.

14 (5) The student member shall serve a one (1) year term beginning on July 1 after being  
15 elected and sworn in as student body president and ending on the following June  
16 30. If the student member does not maintain the position of student body president  
17 or the status of a full-time student at any time during that academic year, a special  
18 election shall be held to select a full-time student member. The elected student  
19 member shall serve for the remainder of the unexpired term.

20 (6) The number of student and employee trustees of the University of Kentucky elected  
21 to the board shall not exceed four (4).

22 (7) Unless specifically approved by the board of trustees under the provisions of KRS  
23 164.367, no member of the administrative staff of the university shall be directly or  
24 indirectly interested in any contract with the university for the sale of property,  
25 materials, supplies, equipment, or services, with exception of compensation to the  
26 two (2) faculty members, and the one (1) nonteaching personnel member.

27 (8) New appointees of the board shall not serve more than two (2) consecutive terms.

1       (9) The inability of the board to hold regular meetings, to elect a chairperson annually,  
2       to establish a quorum, to adopt an annual budget, to set tuition rates, to conduct an  
3       annual evaluation of the president of the university, or to carry out its primary  
4       function to periodically evaluate the institution's progress in implementing its  
5       mission, goals, and objectives to conform to the strategic agenda shall be cause for  
6       the Governor to remove all appointed members of the board and replace the entire  
7       appointed membership pursuant to KRS 63.080(4).

8       ➔Section 23. The following KRS sections are repealed:

9       164.003 Legislative findings and goals for achievement by 2020.

10      164.004 Strategic Committee on Postsecondary Education.

11      164.0285 Definitions for KRS 164.0285 to 164.0288.

12      164.0286 STEM Initiative Task Force -- Purpose -- Membership -- Steering committee  
13       oversight and coordination -- Administrative attachment -- Contracting -- Funding.

14      164.0287 Duties of STEM Initiative Task Force -- Strategic plan -- Business plan.

15      164.0288 Kentucky STEM Initiative fund.

16      164.033 Local P-16 councils.